

Laurel Hill Project Advisory Committee



Laurel Hill Adaptive Reuse Area Update

October 15, 2013

Land Use Concept Plan

LP1 - Laurel Hill Community Planning Sector

Land Use

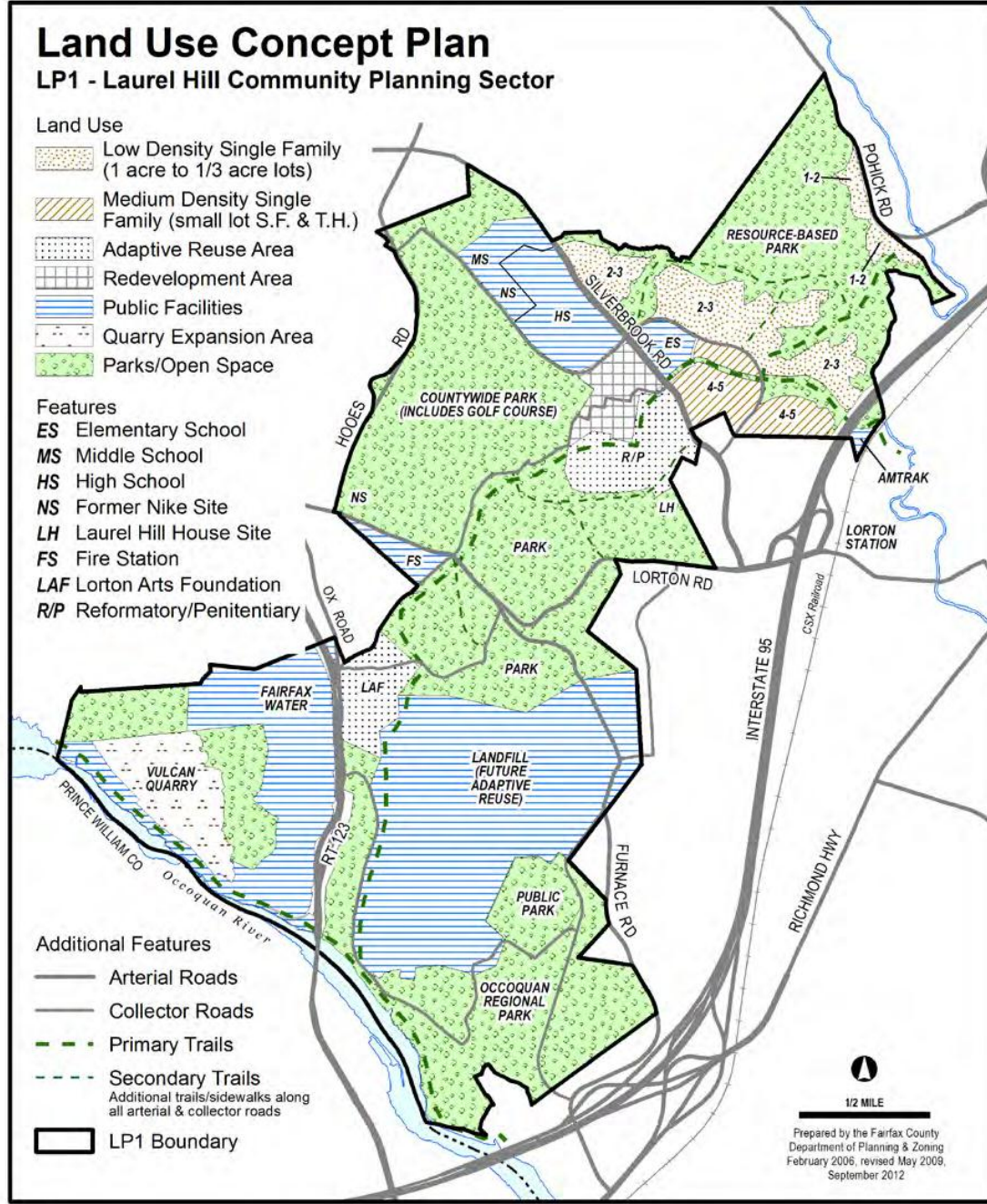
-  Low Density Single Family (1 acre to 1/3 acre lots)
-  Medium Density Single Family (small lot S.F. & T.H.)
-  Adaptive Reuse Area
-  Redevelopment Area
-  Public Facilities
-  Quarry Expansion Area
-  Parks/Open Space

Features

- ES** Elementary School
- MS** Middle School
- HS** High School
- NS** Former Nike Site
- LH** Laurel Hill House Site
- FS** Fire Station
- LAF** Lorton Arts Foundation
- R/P** Reformatory/Penitentiary

Additional Features

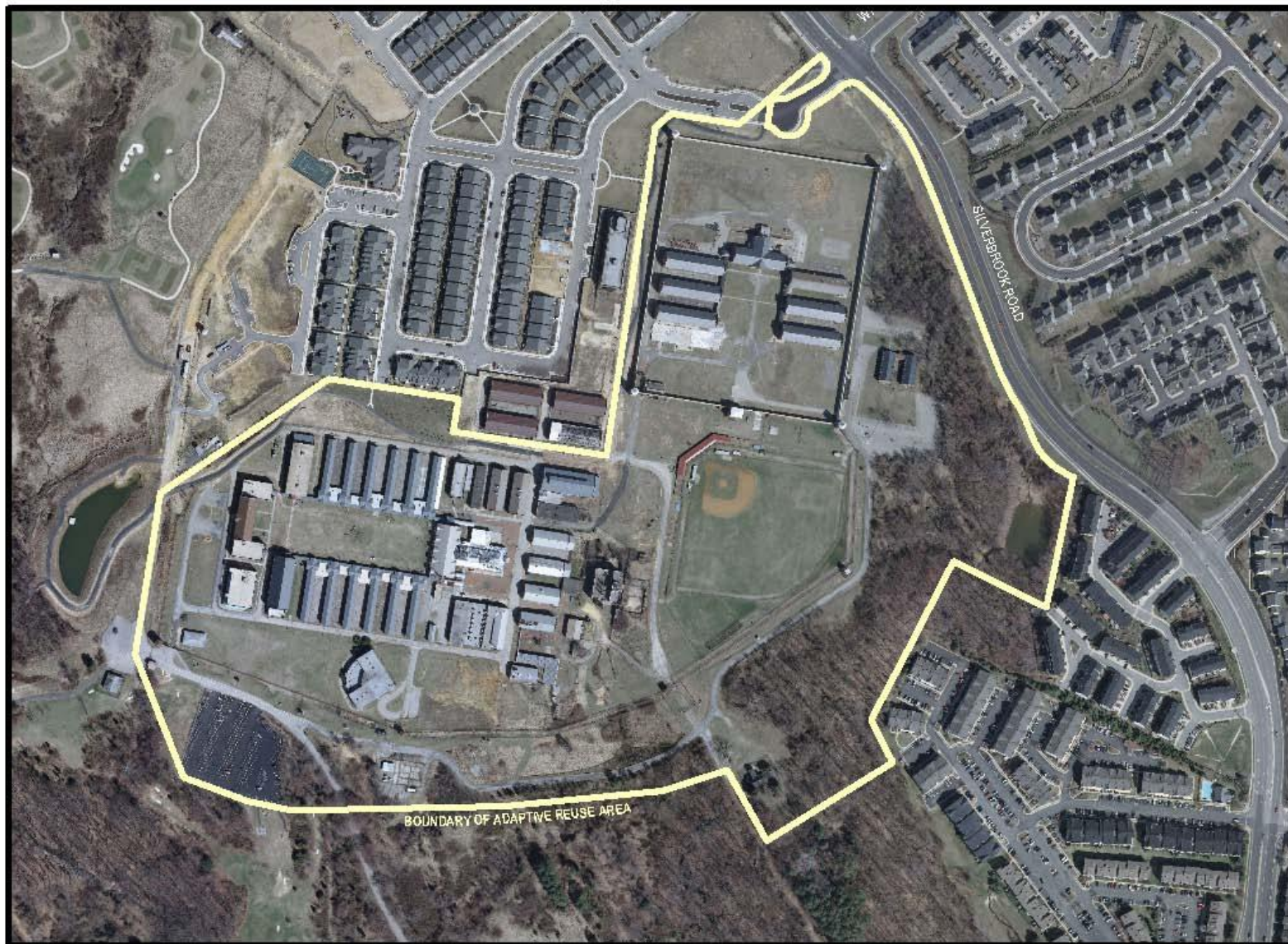
-  Arterial Roads
-  Collector Roads
-  Primary Trails
-  Secondary Trails
Additional trails/sidewalks along all arterial & collector roads
-  LP1 Boundary



Land Transfer and Oversight

- Laurel Hill sold to Fairfax County, July 2002 - nearly **2,400 acres** - for **\$4.2 million**.
 - County actions must comply with the Reuse Plan as reflected in the County's Comprehensive Plan
- Laurel Hill includes parcels that are Board-owned, Park-controlled, and portions privately developed with public benefits (schools, golf course, trails)
- Memorandum of Agreement (MOA) signed in 2002, provides guidance for Historic Preservation
 - ARB review responsibilities with other signed parties
- PAC established in 2005 to act as liaison to Board

Laurel Hill Adaptive Reuse Area



0 125 250 500 Feet

Map prepared by Fairfax County DPZ using Fairfax County GIS. 2009 aerial photography. G://2009/Laurelhill











Laurel Hill Task Force Recommendations (2004)

- Mixed use concept with residential, retail, office and education uses
- Recognized complexity and higher costs for reusing historic structures
- Identified potential project budget gap as high as \$30 million
- In order to make the adaptive reuse project viable, the Task Force recommended, that the County may consider increasing residential or retail development density or reducing the number of historic structures to be reused
- Recommendation adopted by the Board of Supervisors and included in the Comprehensive Plan



LAUREL HILL REUSE AREA CONCEPT PLAN



Master Plan

Planning Principles

- Preserve the essential historic core
- Minimize financial burden on tax payer
- Promote socially positive uses that compliment the surrounding community
- Provide flexibility and transparency in the development process
- Permit the adaptive reuse of Laurel Hill into something of far-reaching significance and consequence—both exciting and uplifting

Master Plan

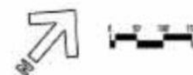
Public Outreach

- 36 community outreach meetings held over 19 months (2008-2009)
- Laurel Hill website: written comments, meeting summaries and responses to over 160 community questions
- PAC monitored the outreach program for the Master Plan
- Followed the MOA guidance, inviting local, state and federal stakeholders to participate
- County staff briefings to BOS Chairman + 3 Supervisors
- Conducted tours of the Adaptive Reuse site
- Staff and developer meetings with various Co. departments to solicit input
- Board of Supervisors adopted Master Plan in May 2010

The site plan for 'New Village' illustrates a community layout with a central green space, 'Groot Lawn', and 'Central Park'. Residential areas are color-coded by type: Special (red), Pod (pink), Historic (purple), Historic (orange), New (yellow), and Civic (blue). Key features include a 'Mixed Use Pod Site', 'Retail Pod Site', 'Gathering Courtyard', and 'Northern Green'. A north arrow is located in the bottom right corner.

Legend

- Specialty Retail: 41,400 s.f.
- Pad Sites: 20,000 s.f.
- Historic Office: 50,000 s.f.
- Historic Residential: 171 units
- New Residential: 181 units
- Civic Space



PAC Recommendations

- ✓ Amend the National Register
- ✓ Take prudent steps to lower costs
- ✓ Identify an alternate baseball field location
- ✓ Maintain residential density numbers
- ✓ Review retail placement and parking
- ✓ Do not include the Laurel Hill House in this project
- ✓ Continue an efficient and transparent process





Interim Agreement: 2011 - 2013

- Partnership between County, The Alexander Co. and Elm Street, signed September 2011, to:
 - ✓ Commence with design and engineering based on Master Plan
 - ✓ Prepare Comprehensive Plan amendment
 - ✓ Refine costs and land use plan
 - ✓ Apply for Historic Tax Credits
 - ✓ Coordinate with ARB
 - ✓ Prepare rezoning submissions
 - ✓ Prepare a Master Development Agreement

DATE	ACTIVITY/ACTION
2001	<ul style="list-style-type: none"> • Memorandum of Agreement (MOA) executed between County and Federal, State, County Agencies, and citizen partners
2002	<ul style="list-style-type: none"> • County purchase of Lorton Prison Complex • BOS appoints Citizen Advisory Committee (CAC) to initiate planning efforts
2004 – 05	<ul style="list-style-type: none"> • BOS accepts CAC recommendations for Adaptive Reuse (\$32M financial gap identified) • BOS appoints Project Advisory Committee to provide oversight of the reuse plans
2006	<ul style="list-style-type: none"> • Laurel Hill listed on National Register of Historic Places (BOS endorsement)
2006	<ul style="list-style-type: none"> • BOS approves Comprehensive Plan Amendment based on CAC recommendations
2007 – 09	<ul style="list-style-type: none"> • Master Plan developed with The Alexander Company and wide community input
2010	<ul style="list-style-type: none"> • BOS approves Master Plan (\$9-13M financial gap)
2011	<ul style="list-style-type: none"> • BOS approves Interim Development Agreement with The Alexander Company / Elm Street joins the project team
2011	<ul style="list-style-type: none"> • BOS authorizes Comp Plan Amendment and processing of rezoning and site plan applications
2012	<ul style="list-style-type: none"> • BOS approves Comprehensive Plan Amendment based on Master Plan guidance • ARB recommend approval of the Rezoning
2014	<ul style="list-style-type: none"> • Anticipated BOS approval of Rezoning and Master Development Agreement

Project Development Gap

- Reduced from \$32 million projected in 2004
 - Plan included primarily preservation and few specifics for new development
- Gap projected at \$12 million - January 2013
 - Plan includes preservation and new construction, and use of historic tax credits (state and Federal) to reduce the gap
 - Master Plan in 2009 – gap estimated \$9-\$12M
- Financial gap has been recognized by the Board
 - Limited space for new construction
 - New utilities and infrastructure
 - High costs of adaptive reuse

Fairfax County Due Diligence – Project Gap

- Utilized services of real estate advisory firm that reviewed the Master Plan: Alvarez & Marsal (A & M)
 - 2013 financial assessment update on development assumptions and project gap
- Fairfax County Department of Public Works Environmental Sciences (DPWES) incorporated Third party review of public infrastructure costs
 - Confirms project figures are in line and conservative
- County to review funding sources for infrastructure investment

Alvarez & Marsal (A & M)

Review of Project Viability

- Current plan consistent with 2009 recommendations and goals.
- Market supports proposed densities and uses for residential and retail.
- Residential use major source of economic return – residential density limited by site and preservation constraints.
- Office use preservation-driven, not market-driven – reflected in pro forma.
- Retail use positive linkage with residential use.
- Project economically viable with County contribution to infrastructure.

A & M Project Viability Cont.

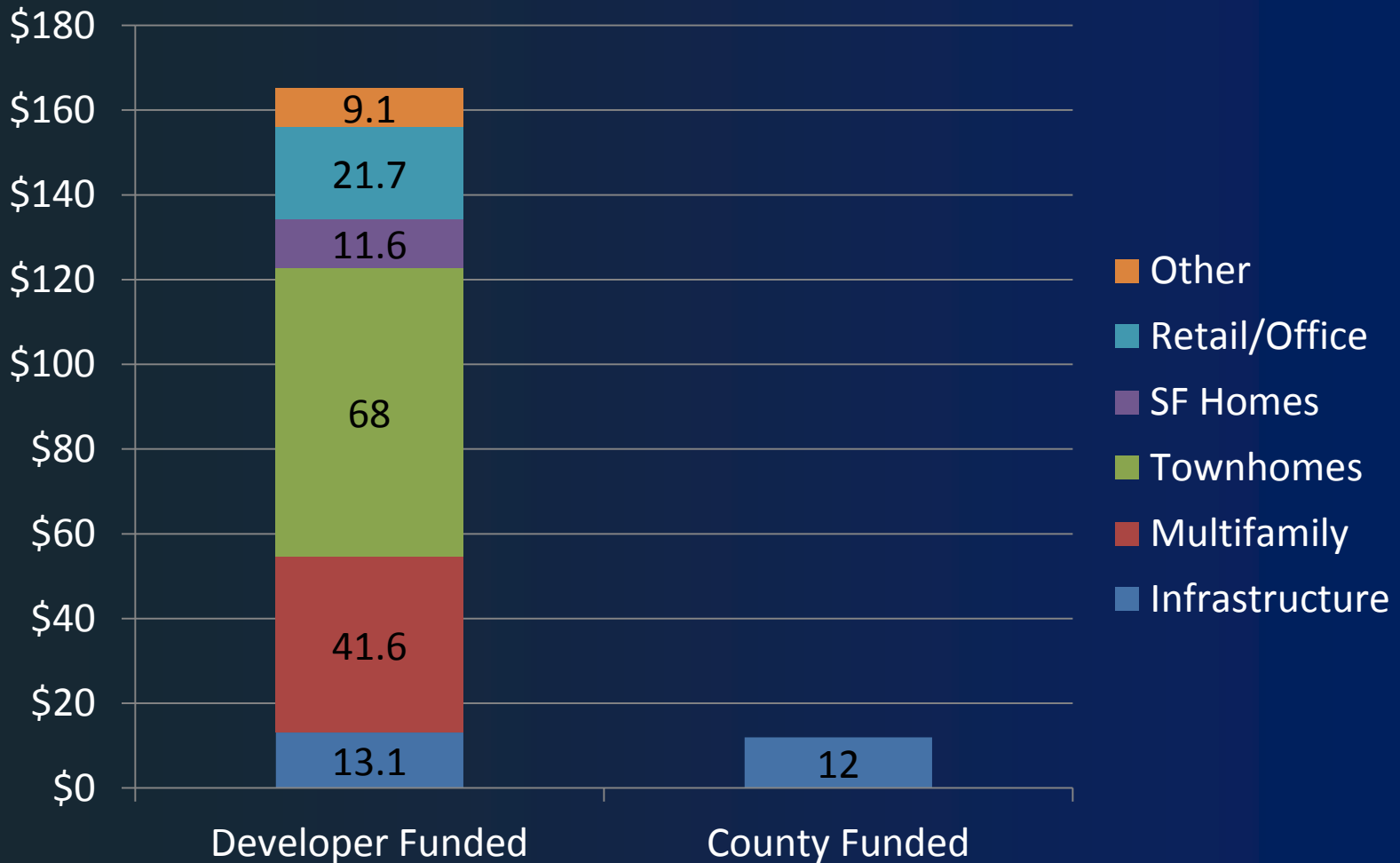
Category	Comments
Single-Family Homes and Townhomes	<ul style="list-style-type: none"> • Anticipated sales prices are achievable based on consistency with prevailing trends in the market. • Contributes to significant project revenue.
Apartments	<ul style="list-style-type: none"> • DC Metro multifamily market outperforming national market: strong market fundamentals: low vacancy, positive rent growth and absorption. • Located in adaptive reuse space. • Generates net positive project revenue.
Retail	<ul style="list-style-type: none"> • Positive absorption, stable availability, and healthy rent growth. • Significant retail leakage supports expanded retail in sub-market.
Office	<ul style="list-style-type: none"> • Office located in adaptive reuse space not suitable for retail or residential • Smaller, non standard layouts. Could appeal to small businesses. • Lack of nearby office tenants. • Generally, weak market fundamentals: high vacancy, falling rents, and absorption. • Pro forma projects \$0 revenue.

A & M – Projected Fiscal Impact

County Revenue	Construction Period	Operating Period Commercial	Operating Period Residential
Sales Tax	\$790,000	\$160,000	\$80,000
Property Taxes	3,580,000	720,000	1,330,000
Other Taxes & Fees	600,000	110,000	50,000
Assumed Transfers	190,000	30,000	20,000
Total County Revenue	\$5,160,000	\$1,020,000	\$1,480,000
Employment Change	+2,141	+209	+99

\$2.5 million Annual Tax Revenue in Operating Period

Total Development Cost \$177.1m



County Responsibilities

- Continued responsibility for historic preservation
 - Total building /structure stabilization \$8.6m if no action taken
 - County has deferred some maintenance with expectation developer would take on these costs
 - Deferred maintenance equates to potentially higher development costs
 - Loss of structures (buildings, wall, tower) would jeopardize historic tax credits
- Continued security costs \$208k annually
- Required payout of \$700k to developer team if no agreement reached, per Interim Agreement
- Demolition Option: cost for demolition of entire site estimated at \$6-8m if approved per MOA requirements
 - Must convert to parkland and resulting loss of future tax revenue

Why Utilize County Funds for Project Gap?

- County commitment per the MOA with the Federal Government for historic preservation (adaptive reuse)
- Public-Private partnership to leverage private market value of development to assist the County with cost and commitment to historic preservation
- Master Planning process acknowledged need for County to fill gap, BOS approved Master Plan and authorized Interim Agreement with understanding of project gap
- Leverage the potential County investment to Growth/Pace of Phasing
- Minimize the County's General Fund Impact
- County funding would be earmarked to infrastructure investments only
 - DPWES confirmed via third party review of public infrastructure costs
- Examine all County funds as potential County revenue source
- Initial County funding to be considered as part of the FY 2015 Advertised Budget



LEGEND

- ADAPTIVE REUSE RESIDENTIAL BUILDING
- ADAPTIVE REUSE COMMERCIAL BUILDING
- ADAPTIVE REUSE COMMUNITY AND CIVIC BUILDING
- NEW BUILDING - COMMERCIAL
- NEW RESIDENTIAL ATTACHED
- NEW RESIDENTIAL LOT
- BUILDING RESTRICTION LIMIT
- ADAPTIVE REUSE OPEN SPACE

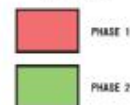
OCTOBER 2013

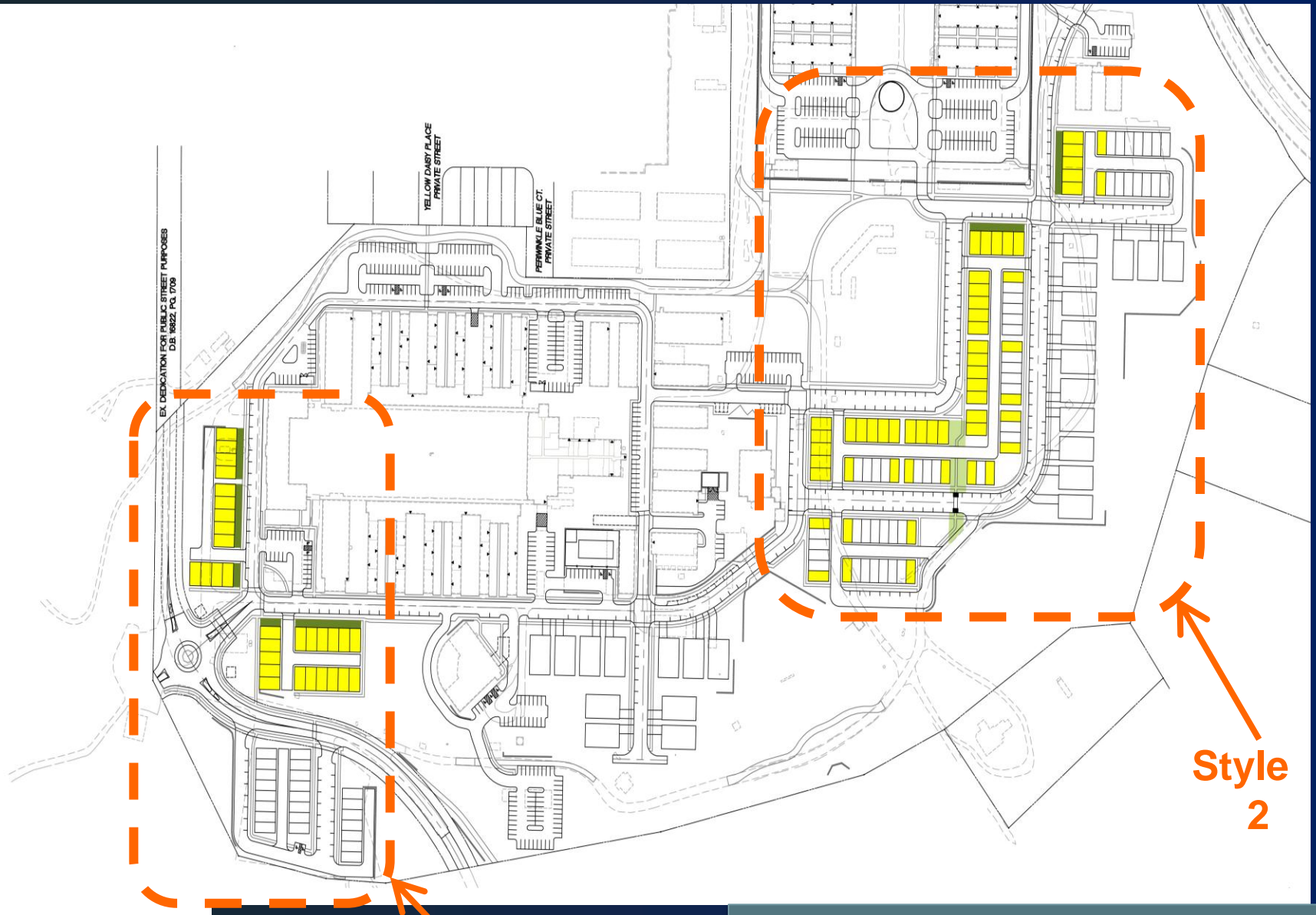


Notes for Phasing Exhibit

1. The boundaries between phases are subject to modifications to address engineering, construction, and/or financing issues, such as grading, utilities, staging, access, common area improvements, etc.
2. Individual phases may be further divided into sub-phases for the purposes of bonding, financing, and/or ownership.

LEGEND





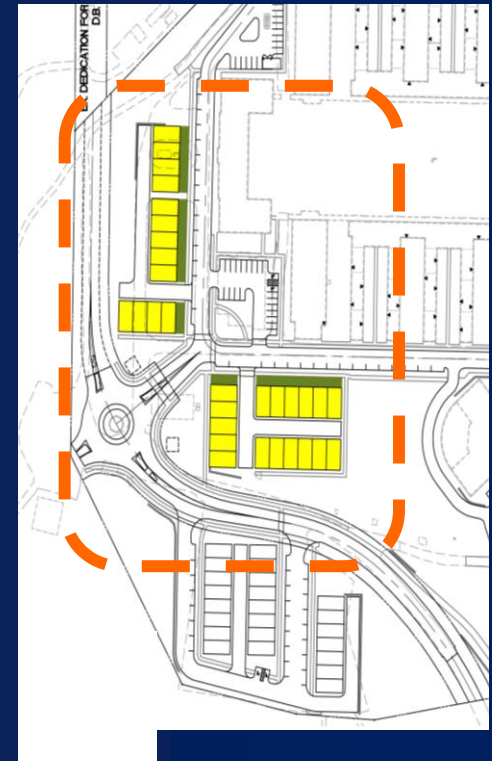
Townhouse Architecture



BLDG A - 20 FT UNIT WIDTH



BLDG B - 24 FT UNIT WIDTH





BLDG A - 20 FT UNIT WIDTH



BLDG B - 24 FT UNIT WIDTH



Style 2 Townhouse Architecture



Retail Architecture



Retail Architecture



Retail Architecture



Penitentiary Wall



LEGEND

- ADAPTIVE REUSE RESIDENTIAL BUILDING
- ADAPTIVE REUSE COMMERCIAL BUILDING
- ADAPTIVE REUSE COMMUNITY AND CIVIC BUILDING
- NEW BUILDING - COMMERCIAL
- NEW RESIDENTIAL ATTACHED
- NEW RESIDENTIAL LOT
- BUILDING RESTRICTION LIMIT
- ADAPTIVE REUSE OPEN SPACE

Interpretive Center (Sally Port and Prisoner Intake Cells)

Public Tower (Viewing Area and community restrooms)

Historic Grandstand

Historic Penitentiary Access Road Locations

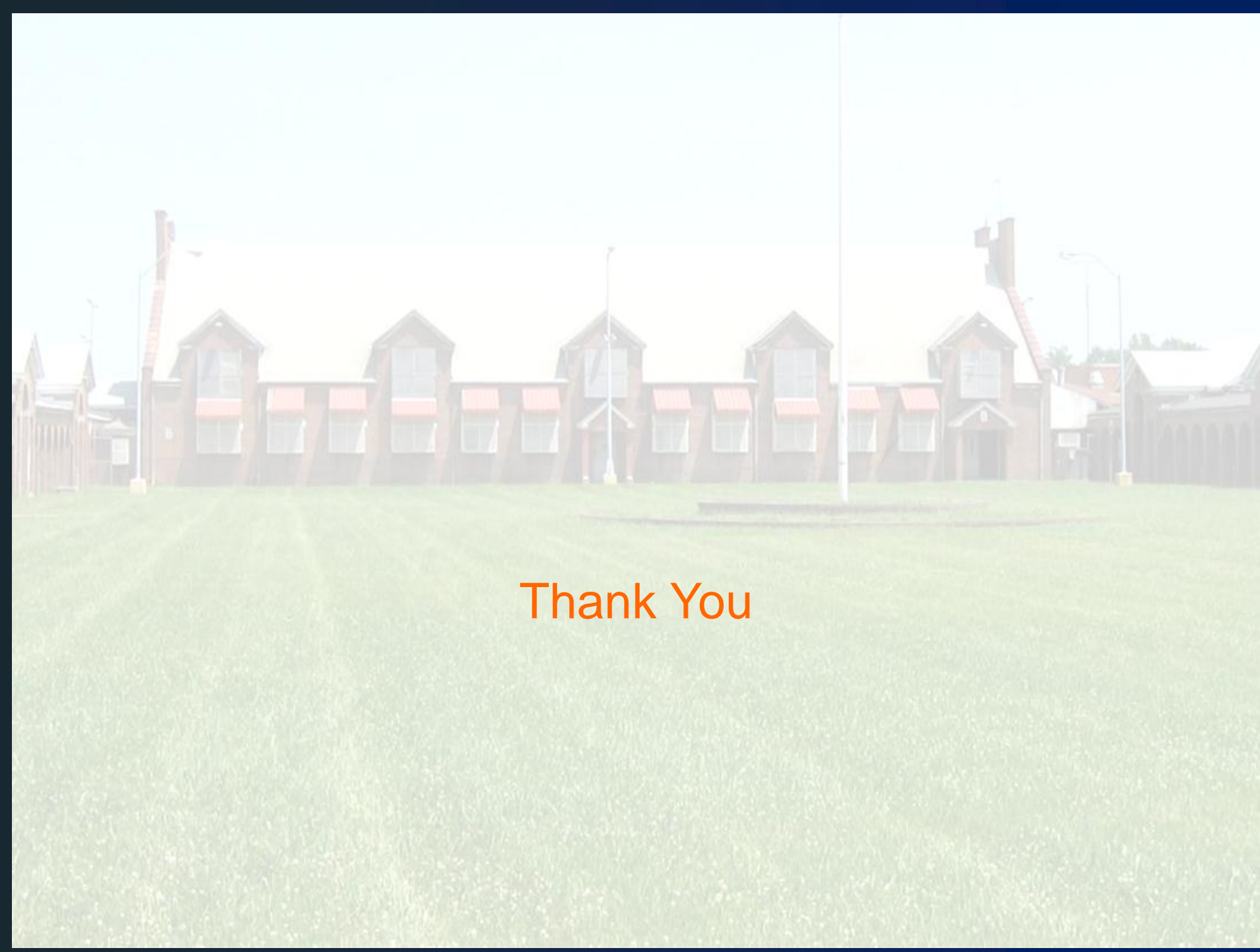
Public Plaza

OCTOBER 2013

LAUREL HILL
ILLUSTRATIVE SITE PLAN



Scale: 1" = 60'-0"
0 30' 60' 120'



Thank You